

NONCOMPLIANCE REPORT

Attachment to Atlanta Gold Corporation's Discharge Monitoring Reports

February 2018 - The February 5th, 21st, and 27th sampling events produced arsenic concentrations of <5 ug/L, however, on February 12th the sampling results produced a concentration of 11 ug/L. Atlanta Gold Corporation (AGC) immediately started investigating this exceedance by conducting follow-up sampling and additional sampling to pinpoint the cause of the exceedance. The follow-up and additional sampling showed no higher levels of arsenic concentrations than normal. All necessary maintenance had been performed up to the sampling week in question and, given that the other sampling weeks had been below the threshold of 10 ug/L, the sampling event in exceedance was an anomaly. Additional follow-up sampling has shown that arsenic levels are continuing to stay below 5 ug/L. AGC has performed additional precautionary maintenance and has consulted with an USFS engineer to ascertain possible reasons for this exceedance.

March 2018 – There was only one exceedance event for the month that occurred on March 19th which produced an arsenic concentration of 15 ug/L. All other arsenic results for the month were 5 ug/L or less than 5 ug/L. The highest iron concentration was 160 ug/L which is well below the limit of 1000 ug/L. Atlanta Gold Corporation immediately looked in to the cause of this exceedance by inspecting the filters for failure, consulting with the USFS, conducting follow up sampling and generally trying to isolate what went wrong. AGC believes that it is likely there was a spike in arsenic concentrations around the time of the sampling that the filter system was not able to completely eliminate before the samples were taken. Sampling the following week showed that results were back down to 5 ug/L.

May 2018 – After the month of April with all samples in compliance, the first three weeks of May had sampling events which produced arsenic concentrations of 27 ug/L, 21 ug/L and 33 ug/L. These exceedances may have been due to the maintenance activities that started in mid-April after we were able to access the 600 level and continued through May. The maintenance activities included cleaning out culverts, adjusting pond flow, cleaning tanks and cells. In addition, a piping project was completed during the month to help handle the spring runoff. The last week of May sampling event showed results from the maintenance and the arsenic concentrations for the last sample result was back down to <5 ug/L and the iron dropped back down to <50 ug/L.

July 2018 – The first sampling of the month was 14 ug/L for arsenic. In reviewing the maintenance records, the day before and the day of the sampling showed that tanks #1 and #2 were being drained so that the treatment cells #1 and #3 could be cleaned out. This is probably what caused the arsenic level to spike since the rest of the month's sample results ranged from 7 to 9 ug/L. In the future, we will schedule the maintenance so that it isn't close to the days that samples are taken.